



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEB 2 0 2004

James A. Bevan
679 Vortex Avenue
Henderson, NV 89015-6563

RE: MUR 5305

Dear Mr. Bevan:

On October 3, 2002, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and information provided by other parties, the Commission, on February 3, 2004, found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

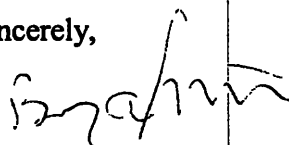
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Jesse Christensen, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



Bradley A. Smith
Chairman

Enclosures
Designation of Counsel Form
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: James A. Bevan

MUR 5305

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

II. BACKGROUND

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. James A. Bevan, RDDC's Chief Financial Officer, contributed \$2,000 to the Herrera Committee on June 30, 2001 – \$1,000 for both the primary and general elections.

In addition to their contributions to the Herrera Committee, five of the RDDC contributors also made contributions to Friends for Harry Reid ("the Reid Committee") during

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the 2000 election cycle. Among these contributors was Mr. Bevan, who contributed \$2,000 to the Reid Committee on June 29, 2001 – \$1,000 for both the primary and general elections.

III. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to either a single candidate or, in some cases, two candidates during the 2002 election cycle. The five individuals who contributed to the Reid Committee, including Mr. Bevan, did so just one day before they contributed to the Herrera Committee. These individuals contributed the maximum to both committees for both the primary and general election, for a total of \$4,000 each over a period of two days. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Mr. Bevan, and their spouses contributed the maximum allowable under the Act to both the Herrera and Reid Committees and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe James A. Bevan violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect contributions in the name of another.

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